

A portrait of Richard Branson, a man with long grey hair and a goatee, wearing a dark brown blazer over a light blue shirt. He is smiling and pointing his right index finger towards his temple. The background is a blurred indoor setting with vertical light and dark stripes. A large, stylized 'V' shape in shades of orange and red is overlaid on the image, framing the text.

Richard Branson's

7 Secrets

To Leadership

LEADx



Sir Richard Branson

Born in 1950, dropped out of school at age 16, Richard Branson would become arguably the world's most successful and famous entrepreneur.

Beginning with the launch of Virgin Records in 1973, Branson would build the Virgin Group into a massive holding company. According to the company's website, the Virgin Group consists of over 60 companies as of 2017, operating in 35 different countries, with 71,000 employees and over \$24 billion of revenue. Not limited to any single industry, Virgin operates airlines, railroads, entertainment, financial services, telecommunications and, with Virgin Galactic, even space travel.

Branson built his personal brand, and the brand of Virgin, through his penchant for adventure and publicity stunts. He was the first to cross the Atlantic Ocean in a hot air balloon in 1987, and he crossed the Pacific by air balloon in 1991. On a lighter and less dangerous note, he drove a tank into New York City's Times Square, buzzed Big Ben in an Airbus A340 jet, bungee jumped off a Las Vegas casino, modeled a wedding gown, and appeared in women's clothing again—as a female flight attendant—after he lost a bet with a competing airline CEO.

While his approach to business has been unconventional, his results are unmatched. He spends half of his time on his own personal island, and has a net worth of more than \$5 billion. He was knighted in 2000 by the Prince of Wales.



Branson Leadership Secret #1:

Employees Come First

"If you take care of your employees, your employees will take care of your customers, and your customers will take care of your shareholders."

—Richard Branson

The classic adage, “customers come first,” is tossed out at Virgin, and replaced with an employee-first mindset. Branson understands that in any business value chain, nothing happens until employees do something. And hopefully do something great.

“Businesses are nothing more than a group of people, and they are by far and away your biggest assets. In fact, in probably the majority of businesses your people are your product.”

–Richard Branson

Great leaders understand the Engagement Profit Chain, a term coined by Kevin Kruse as a variation on the Service Profit Chain model.



To paraphrase Branson, if you engage your employees, they provide better service to your customers (along with more productivity and loyalty), which increases customer satisfaction and in turn drives higher sales and profits. All of that will eventually increase shareholder value.



Do you truly value your human capital? How much time do you invest recruiting, coaching and retaining star performers?



Branson Leadership Secret #2:

Delegate

"We find brilliant people to run it, give them a lot of freedom to make mistakes, and don't second guess them all the time."

—Richard Branson

The ability to delegate effectively is critical to leadership for two important reasons:

- 1) It enables you to get more done by leveraging the time and ability of others
- 2) It increases the engagement of your team members

Too often, people are promoted from a position of “individual contributor” to leader/manager and don’t fully recognize that what earned them the promotion—hard work, attention to detail, devotion to perfection, roll-up the sleeves problem solving—isn’t what will achieve success as a manager. Managers are measured on the total output of their teams. And by micro-managing the details, the big picture and long-term prospects are ignored.

“I immerse myself in getting the businesses set up and am very involved the first three or four months, get good people to run them, give them a stake in the company and a lot of freedom, and then step back and move on to the next.”

–Richard Branson

In Daniel Pink’s book, *Drive*, he shares compelling research that workers won’t be fully motivated unless they experience *autonomy*, mastery and purpose. The boss who constantly looks over others’ shoulders will disengage team members. By granting true autonomy, individuals take ownership of the outcomes, and achieve growth and pride along the way.

“If your best people aren’t growing in their careers as your business gains traction and expands, they will quickly lose enthusiasm for their work. And before you know it, you’ll be dealing with unsatisfied customers as well as unsatisfied employees.”

–Richard Branson



Are you delegating *tasks*, or *goals*?



Branson Leadership Secret #3:

Celebrate Failure

"Do not be embarrassed by your failures, learn from them and start again."

—Richard Branson

Why would you encourage, or even celebrate, failure?

Quite simply, failure is the foundation for growth and innovation, and innovation is critical to long-term success. Every time a person, a team, or a company tries something new and fails, valuable data is gathered. In that data are clues to potential future success.

Yet most companies have a culture that penalizes missed goals, “wasted” spend and projects that don’t turn out as expected. When failure is associated with a derailed career, workers naturally play it safe.

We’ve never been 100% sure that any of the businesses we’ve started at Virgin were going to be successful. But over 45 years, we’ve always stood by our motto: ‘Screw it, let’s do it’.

–Richard Branson

And indeed, Branson has experienced many company-level failures along the way including: Virgin Bride, Virgin Cola, Virgin Cars, Virgin Vie (cosmetics), Virginware (lingerie), and Virgin Pulse (digital music player). He’s in good company of course. There are many other notable product failures including New Coke, Apple LISA, and McDonald’s Hula Burger.

“Making mistakes and experiencing setbacks is part of the DNA of every successful entrepreneur, and I am no exception.”

–Richard Branson

The term “fail fast” has emerged from Silicon Valley business practices recently. It doesn’t mean we should hope for failure, or be happy when startups collapse. Rather, it means we should foster a culture of experimentation. An approach to marketing, product R&D, even culture design itself that is tolerant of risk and negative outcomes in an effort to adapt—to evolve—to a rapidly changing environment.



**Does your team fear making mistakes?
Or do they fear missing out on opportunities?**



Branson Leadership Secret #4:

Mission Over Money

"It's a common misconception that money is every entrepreneur's metric for success. It's not, and nor should it be."

—Richard Branson

All else being equal, people would rather work for a purpose than a paycheck. Knowing that your day-to-day work aligns with the greater mission of the organization dramatically changes the way we feel about that work.

"From my very first day as an entrepreneur, I've felt the only mission worth pursuing in business is to make people's lives better."

–Richard Branson

Dr. Steve Taylor, writing for *Psychology Today*, says "The need for purpose is one the defining characteristics of human beings. Human beings crave purpose, and suffer serious psychological difficulties when we don't have it. Purpose is a fundamental component of a fulfilling life." He goes on to cite the number of athletes who fall into alcohol, drugs and other vices as they struggle to find meaning after their professional career comes to an end.

"There's no point in starting a business unless you're going to make a dramatic difference to other people's lives. So if you've got an idea that's gonna make a big difference to other people's lives, then just get on and do it."

–Richard Branson

Great leaders know how to craft or reinforce the mission of the organization. Great leaders know that mission can't just be a sentence on a poster in the conference room. Great leaders use mission as a tool to engage and energize colleagues.

"Once you know what your own motivations and aspirations are, talk to your employees and colleagues about theirs, if you haven't already. Then structure their jobs in a way that allows them to tap into this energy, too. With you and your employees approaching your work with renewed energy and commitment, you'll find that there's little that you can't accomplish together."

–Richard Branson



Could your team members describe the mission of the organization? When was the last time you talked about how the work they do aligns with this mission?



Branson Leadership Secret #5:

Listen Actively

"Being a good listener is absolutely critical to being a good leader; you have to listen to the people on the front line."

—Richard Branson

Most executives instinctively know the importance of communication, but unfortunately they think telling more and sharing more is what workers want. Instead, when team members are asking for communication, they are asking for two-way communication. They want to be heard.

"Listening is one of the most important skills that anyone can have. That's a very Virgin trait. Listening enables us to learn from each other, from the marketplace, and from the mistake that must be made in order to get anywhere that is original and disruptive."

—Richard Branson

Too often what looks to be listening is just the other person thinking of what they're going to say to us as we speak. To truly listen—to actively listen—requires you to focus on the other person with the intent to understand. Listening effectively doesn't just involve words; we need to "listen" to what the other person's body language is telling us too.

To truly discover what another person is thinking, and what they really want to share requires patience. Statements like, "tell me more" and questions like, "What else?" send a clear signal that you really do care. You are striving to understand the full situation.

"An exceptional company is the one that gets all the little details right. And the people out on the front line, they know when things are not going right, and they know when things need to be improved. And if you listen to them, you can soon improve all those niggly things which turn an average company into an exceptional company."

—Richard Branson



What's your typical question to statement ratio while interacting with your team members?



Branson Leadership Secret #6:

Hire Right

"Personality before CV. A person who has multiple degrees in your field isn't always better than someone with broad experience and a wonderful personality."

–Richard Branson

Hiring great talent is essential to a successful business. A mistake can lead not just to sub-optimal performance, but can also directly affect customer relations and impact the morale of other workers who are high performers. According to research conducted by the US Department of Labor and Statistics, the average cost of a bad hire is equivalent to 30% of that person's salary.

Branson notes that attitude and personality should trump skills. After all, it's far easier to teach an employee about your industry or product than it is to teach tenacity or self-direction.

Great leaders also know that it's important to hire for diversity. "Yes men" bring nothing new to the conference room. Diverse teams are winning teams.

"I'm quite involved in hiring for leadership and I look to hire my weaknesses."

–Richard Branson

It's also quite important to hire for cultural fit. Too many executives are wooed by Ivy League degrees or event accomplishments in competing companies, but then realize that worked elsewhere is no longer effective. Hiring people who reflect your organizations core beliefs, attitudes and behaviors is as important as personality. In Branson's case, he looks for authenticity and an ability to thrive in Virgin's casual, social environment.

"[I like] people who are willing to go get drunk with the staff in the evenings, people who can let their hair down, and be flexible and listen."

–Richard Branson



How many candidates do you screen before you decide on just the right one?



Branson Leadership Secret #7:

Have Fun

"My number one rule in business, and in life, is to enjoy what you do."

—Richard Branson

A popular topic among business elite over the last couple of decades has been “work-life balance.” The concept itself segments “work” as something separate from life itself, and implies that we need to strive to balance a negative with a positive. Great leaders—and engaged employees—know that the secret to success is a work-life blend, not a balance.

“I don’t think of work as work and play as play. It’s all living.”

–Richard Branson

People give the most of themselves—including their creativity and ideas—when they are as comfortable at work as they are at home. They are most engaged when they have close friendships at work.

“Some 80% of your life is spent working,” he says. “You want to have fun at home; why shouldn’t you have fun at work?”

–Richard Branson

There is no one way to create a fun culture; no one way to have fun or course. For Branson, having fun includes hard partying, practical jokes and adventuring. The Silicon Valley stereotype of a fun company includes free beer, bringing your dog to work, and scooters. A more pedestrian way to have fun might be to start a book club, Friday movie matinees, or a potluck lunch. The key element is to realize that taking time for fun can actually increase not just employee happiness but also company productivity.



How much fun did your team have last week?



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